AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 10

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

#### "LANGUAGE IS CODIFIED IN A.C.A 19-5-306"

"(10)(A) Department of Human Services Grants Fund Account. The Department of Human Services Grants Fund Account shall be used for the following grant programs to consist of general revenues and any other nonfederal funds, as may be appropriated by the General Assembly:

- (i) Children's Medical Services;
- (ii) Food Stamp Employment and Training Program;
- (iii) Aid to the Aged, Blind, and Disabled;
- (iv) Transitional Employment Assistance Program;
- (v) Private nursing home care;
- (vi) Infant Infirmary nursing home care;
- (vii) Public Nursing Home Care;
- (viii) Prescription Drugs;
- (ix) Hospital and Medical Services;
- (x) Child and Family Life Institute;
- (xi) Community Services Block Grant;
- (xii) ARKIDSFIRST;
- (xiii) Child Health Management Services;
- (xiv) Child Care Grant; and
- (xv) Prescription Drug Elderly"

#### **EXECUTIVE RECOMMENDATION**

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 17-1SS **SECTION#:** 11

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

MEDICAL SERVICES - CARRY FORWARD. The unexpended balances in appropriations made from federal funds, for Medical Services, as provided for in this Act on June 30, 2004 shall be carried forward and made available for expenditures for the same purpose for the fiscal year ending June 30, 2005.

The provisions of this section shall be in effect only from July 1, 2003 through June 30, 2005.

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 12

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

MEDICAL SERVICES - CHILD AND FAMILY LIFE INSTITUTE. The Child Health and Family Life Institute shall be administered under the direction of Arkansas Children's Hospital. Arkansas Children's Hospital shall enter into a cooperative agreement and/or contract with the University of Arkansas for Medical Sciences - Department of Pediatrics for services required in delivering the programs of the Child Health and Family Life Institute. Utilizing a multidisciplinary collaboration of professionals, the Child Health and Family Life Institute shall provide a statewide effort to explore, develop and evaluate new and better ways to address medically, socially and economically interrelated health and developmental needs of children with special health care needs and their families. The Child Health and Family Life Institute's priorities shall include, but are not limited to, wellness and prevention, screen and diagnosis, treatment and intervention, training and education and research and evaluation.

Arkansas Children's Hospital and the University of Arkansas for Medical Sciences-Department of Pediatrics shall make semi-annual reports to the Arkansas Legislative Council on all matters of funding, existing programs and services offered through the Child Health and Family Life Institute.

The provisions of this section shall be in effect only from July 1, 2003 2005 through June 30, 2005 2007.

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 13

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

MEDICAL SERVICES - PHARMACEUTICAL DISPENSING FEE SURVEY. No more than two years prior to making any changes to the current pharmaceutical dispensing fee, the State shall conduct an independent survey utilizing generally accepted accounting principles, to determine the cost of dispensing a prescription by pharmacists in Arkansas. Only factors relative to the cost of dispensing shall be surveyed. These factors shall not include actual acquisition costs or average profit or any combination of actual acquisition costs or average profit. The survey results shall be the basis for establishing the dispensing fee paid to participating pharmacies in the Medicaid prescription drug program in accordance with Federal requirements. The dispensing fee shall be no lower than the cost of dispensing as determined by the survey. Nothing in this section shall be construed to prohibit the State from increasing the dispensing fee at any time.

The provisions of this section shall be in effect only from July 1,  $\frac{2003}{2005}$  2005 through June 30,  $\frac{2005}{2007}$  2007.

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 14

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

MEDICAL SERVICES GENERAL MEDICAID RATE METHODOLOGY PROVISIONS. (a) Rates established by the Division of Medical Services for the services or programs covered by this Act shall be calculated by the methodologies approved by the Centers for Medicare and Medicaid Services (CMS). The Division of Medical Services shall have the authority to reduce or increase rates based on the approved methodology. Further, the Division of Medical Services shall have the authority to increase or decrease rates for good cause including, but not limited to: (1) identification of provider(s) who can render needed services of equal quality at rates less than traditionally charged and who meet the applicable federal and state laws, rules and regulations pertaining to the provision of a particular service, (2) identification that a provider or group of providers has consistently charged rates to the Arkansas Medicaid Program greater than to other purchasers of medical services of similar size, (3) the Division determines that there has been significant changes in the technology or process by which services are provided by a provider or group of providers which has affected the costs of providing services, or (4) a severe economic downturn in the Arkansas economy which has affected the overall state budget of the Division of Medical Services.

The Division of Medical Services shall make available to requesting providers, the CMS's inflationary forecasts (CMS Market Basket Index). Rates established with cost of living increases based on the CMS Market Basket Index or other indices will be adjusted annually except when the state budget does not provide sufficient appropriation and funding to

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 14

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

affect the change or portion thereof.

(b) Any rate methodology changes proposed by the Division of Medical Services both of a general and specific nature, shall be subject to prior review by the Legislative Council or Joint Budget Committee.

The provisions of this section shall be in effect only from July 1,  $\frac{2003}{2005}$  through June 30,  $\frac{2005}{2007}$ .

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 15

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

MEDICAL SERVICES - STATE MEDICAID PROGRAM/PERSONAL CARE PROGRAM. (a) It is the Legislative intent that the Department of Human Services in its administration of the Arkansas Medicaid Program set forth Medicaid provider participation requirements for "personal care providers" that will insure sufficient available providers to meet the required needs of all eligible recipients, to include insuring available in-home services twenty-four hours a day and seven days a week for personal care.

- (b) For the purposes of this section, "private care agencies" are defined as those providers licensed by the Department of Labor, certified as ElderChoices Providers and who furnish in-home staffing services for respite, chore services, and homemaker services, and are covered by liability insurance of not less than one million dollars (\$1,000,000.00) covering their employees and independent contractors while they are engaged in providing services, such as personal care, respite, chore services, and homemaker services.
- (c) The purpose of this section is to allow the private care agencies defined herein to be eligible to provide Medicaid reimbursed personal care services seven days a week, and does not supercede Department of Human Services rules establishing monthly benefit limits and prior authorization requirements.
- (d) The availability of providers shall not require the Department of Human Services to reimburse for 24 hours per day of personal care services.
  - (e) The Arkansas Department of Human Services, Medical

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 15

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

Services Division shall take such action as required by the Centers for Medicare and Medicaid Services to amend the Arkansas Medicaid manual to include, private care agencies, as qualified entities to provide Medicaid reimbursed personal care services.

- (f) The private care agencies shall comply with rules and regulations promulgated by the Arkansas Department of Health which shall establish a separate licensure category for the private care agencies for the provision of Medicaid reimbursable personal care services seven days a week.
- (g) The Arkansas Department of Health shall supervise the conduct of the private care agencies defined herein.
- (h) The purpose of this section is to insure the care provided by the private care agencies, is consistent with the rules and regulations of the Arkansas Department of Health.

The provisions of this section shall be in effect only from July 1,  $\frac{2003}{2005}$  through June 30,  $\frac{2005}{2007}$ .

#### **EXECUTIVE RECOMMENDATION**

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 17-1SS **SECTION#:** 16

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

MEDICAL SERVICES - BORDER CITY DDTCS AND ELDERCHOICES PROVIDERS. Approved Arkansas Medicaid providers of Developmental Day Treatment Clinic Services (DDTCS) and ElderChoices Services, or their successor programs, who have out-of-state border city facilities may be licensed by the State of Arkansas and/or contract with the State to be reimbursed for Medicaid eligible services delivered to Arkansas residents who are Medicaid eligible.

The provisions of this section shall be in effect only from July 1, 2003 2005 through June 30, 2005 2007.

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 17

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

CRITICAL ACCESS HOSPITAL PROGRAM. Subject to the Centers for Medicare and Medicaid Services approval, the Arkansas Department of Human Services shall fund the optional "Critical Access Hospital" Program as defined at 42 U.S.C. §1395i – 4(e) as it existed January 1, 2001 effective July 1, 2003 or at the earliest date thereafter.

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 18

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

MEDICAL SERVICES PERSONAL CARE AND ELDERCHOICES REIMBURSEMENT. The Medicaid reimbursement rate for personal care and Elderchoices homemaker, respite, and chore services shall be increased from the current rate of \$12.35 per hour to \$13.86 per hour if funds are available, or increased for such portion thereof as funds are available.

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 17-1SS **SECTION#:** 19

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# FUND USAGE AUTHORIZED. The Arkansas Children's Hospital may request the Department of Human Services - Division of Medical Services to retain in the Department of Human Services Grant Fund account an amount not to exceed \$2,100,000 each fiscal year from funds made available by this Act for the Child and Family Life Institute, Section 4, item number 06 as contained within the Hospital / Medical Services Program to be used to match federal funds used for supplemental Medicaid payments to Arkansas Children's Hospital. These retained funds shall not be recovered for transfer to the General Revenue Allotment Reserve Fund.

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 20

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

STATE PLAN. The State Plan must include the provision of EPSDT services as those services are defined in §1396d(r). See §§ 1396a(a)(10)(A), 1396d(a)(4)(B); see also 1396a(a)(43). Section 1396d(r) lists in detail the screening services, vision services, dental services, and hearing services that the State Plan must expressly include, but with regard to treatment services, it states that EPSDT means "[s]uch other necessary health care, diagnostic services, treatment, and other measures described in subsection (a) of this section to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, whether or not such services are covered under the State plan." 42 U.S.C. § 1396d(r)(5) (emphasis added). Reading §1396a, § 1396d(a), and § 1396d(r)together, we believe that the State Plan need not specifically list every treatment service conceivably available under the EPSDT mandate.

The State Plan, however, must pay part or all of the cost of treatments to ameliorate conditions discovered by the screening process when those treatments meet. The definitions set forth in § 1396a. See § 1396d(r)(5); see also §§ 1396a(a)(10), 1396a (a)(43), and 1396d(a)(4)(B). The Arkansas State Plan states that the "State will provide other health care described in [42 U.S.C. 1396d(a)] that is found to be medically necessary to correct or ameliorate defects and physical and mental illnesses and conditions discovered by the screening services, even when such health care is not otherwise covered under the State Plan." See State Plan Under Title XIX of the Social Security Act Medical

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 20

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

Assistance Program, State Of Arkansas at § 4.b. This provision Meets the EPSDT mandate of the Medicaid Act.

We affirm the district court's decision to the extent that it holds that a Medicaid-Eligible individual has a federal right to early intervention day treatment when a physician recommends such treatment. Section 1396d(r)(5) states that EPSDT includes any treatments or measures outlined in  $\S$  1396d(a). There are twenty-seven sub-parts to  $\S$  1396d(a), and we find that sub-part (a)(13), in particular, when read with the other sections of the Medicaid Act listed above, mandates that early intervention day treatment be provided when it is prescribed by a physician. See 42 U.S.C. § 1396d(a)(13) (defining medical assistance reimbursable by Medicaid as "other diagnostic, screening, preventive, and rehabilitative services, including any medical or remedial services recommended by a physician...for the maximum reduction of physical and mental disability and restoration of an individual to the best possible functional level"). Therefore, after CHMS clinic staff perform a diagnostic evaluation of an eligible child, if the CHMS physician prescribes early intervention day treatment as a service that would lead to the maximum reduction of medical and physical disabilities and restoration of the child to his or her best possible functional level, the Arkansas State Plan must reimburse the treatment. Because CHMS clinics are the only providers of early intervention day treatment, Arkansas must reimburse those clinics.

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 21

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

ARKANSAS HEALTH CENTER. (A) The Department of Human Services shall not close the Arkansas Health Center that provides skilled nursing through specialized services and programs.

- (B) The Department of Human Services shall continue to accept clients for whom it has determined that skilled nursing and specialized services are needed at the Arkansas Health Center.
- (C) No funds shall be transferred or reduced from the Arkansas Health Center, except for use as federal matching funds, below the approved funding level on March 1, 2003 without the prior approval of the Arkansas Legislative Council or the Joint Budget Committee.
- (D) Determining the maximum amount of appropriation and general revenue funding for a state agency each fiscal year is the prerogative of the General Assembly. This is usually accomplished by delineating such maximums in the appropriation act(s) for a state agency and the general revenue allocations authorized for each fund and fund account by amendment to the Revenue Stabilization law. Further, the General Assembly has determined that the Department of Human Services may operate more efficiently if some flexibility is provided to the Department of Human Services authorizing broad powers under this Section. Therefore, it is both necessary and appropriate that the General Assembly maintain oversight by requiring prior approval of the Legislative Council or Joint Budget Committee as provided by this section. The requirement of approval by the Legislative Council or Joint Budget Committee is not a severable part of this section. If the requirement of

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 17-1SS SECTION#: 21

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

#### **EXECUTIVE RECOMMENDATION**

approval by the Legislative Council or Joint Budget Committee is ruled unconstitutional by a court of competent jurisdiction, this entire section is void.

The provisions of this section shall be in effect only from July 1, 2003 through June 30, 2005.

MOVE TO DIVISION OF BEHAVIORAL HEALTH SERVICES

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 1586 **SECTION#:** 6

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

h AGENCY REQUEST

**EXECUTIVE RECOMMENDATION** 

MEDICAID EXPANSION PROGRAM - CARRY FORWARD. Such appropriation as is authorized in this Act for the Arkansas Tobacco Settlement - Medicaid Expansion Program which remains at the end of the first fiscal year of the biennium may be carried forward into the second fiscal year of the biennium there to be used for the same purposes.

The provisions of this section shall be in effect only from July 1, 2003 2005 through June 30, 2005 2007.

AGENCY: 0710 DHS – Medical Services ACT#: 1586 SECTION#: 7

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

MEDICAID EXPANSION PROGRAM - PAYING ACCOUNTS. The Medicaid Expansion Program as established by Initiated Act 1 of 2000 shall be a separate and distinct component embracing (1) expanded Medicaid coverage and benefits to pregnant women; (2) expanded inpatient and outpatient hospital reimbursements and benefits to adults aged nineteen (19) to sixty-four (64); (3) expanded non-institutional coverage and benefits to adults aged 65 and over; and (4) creation and provision of a limited benefit package to adults aged nineteen (19) to sixty-four (64), to be administered by the Department of Human Services. Separate Paying Accounts shall be established for the Medicaid Expansion Program as designated by the Chief Fiscal Officer of the State, to be used exclusively for the purpose of drawing down federal funds associated with the federal share of expenditures and for the state share of expenditures transferred from the Medicaid Expansion Program Account or for any other appropriate state match funds.

The provisions of this section shall be in effect only from July 1, 2003 2005 through June 30, 2005 2007.

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 1586 SECTION#: 8

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

ACCOUNTS. Such appropriations and fund accounts as may be necessary to administer the provisions of <a href="mailto:this-act\_the-Tobacco-Settlement Medicaid-Expansion Program">this-act\_the Tobacco-Settlement Medicaid-Expansion Program</a> shall be established on the books of the Chief Fiscal Officer of the State, State Treasurer, and the Auditor of the State.

The provisions of this section shall be in effect only from July 1,  $\frac{2003}{2005}$  through June 30,  $\frac{2005}{2007}$ .

AGENCY: 0710 DHS – Medical Services ACT#: 1586 SECTION#: 9

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

POSITIONS. (a) Nothing in this act shall be construed as a commitment of the State of Arkansas or any of its agencies or institutions to continue funding any position paid from the proceeds of the Tobacco Settlement in the event that Tobacco Settlement funds are not sufficient to finance the position.

- (b) State funds will not be used to replace Tobacco Settlement funds when such funds expire, unless appropriated by the General Assembly and authorized by the Governor.
- (c) A disclosure of the language contained in (a) and (b) of this Section shall be made available to all new hire and current positions paid from the proceeds of the Tobacco Settlement by the Tobacco Settlement Commission.
- (d) Whenever applicable the information contained in (a) and (b) of this Section shall be included in the employee handbook and or Professional Services Contract paid from the proceeds of the Tobacco Settlement.

#### **EXECUTIVE RECOMMENDATION**

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 1586 **SECTION#:** 10

# **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# **EXECUTIVE RECOMMENDATION**

TRANSFER RESTRICTIONS. The appropriations provided in this act shall not be transferred under the provisions of Arkansas Code 19-4-522 or the provisions of Arkansas code 6-62-104, but only as provided by this act.

AGENCY: 0710 DHS – Medical Services ACT#: 1586 SECTION#: 11

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

TRANSFERS OF APPROPRIATIONS. In the event the amount of any of the budget classifications of maintenance and general operation in this act are found by the administrative head of the agency to be inadequate, then the agency head may request, upon forms provided for such purpose by the Chief Fiscal Officer of the State, a modification of the amounts of the budget classification. In that event, he shall set out on the forms the particular classifications for which he is requesting an increase or decrease, the amounts thereof, and his reasons therefor. In no event shall the total amount of the budget exceed either the amount of the appropriation or the amount of the funds available, nor shall any transfer be made from the capital outlay or data processing subclassifications unless specific authority for such transfers is provided by law, except for transfers from capital outlay to data processing when determined by the Department of Information Systems that data processing services for a state agency can be performed on a more costefficient basis by the Department of Information Systems than through the purchase of data processing equipment by that state agency. In considering the proposed modification as prepared and submitted by each state agency, the Chief Fiscal Officer of the State shall make such studies as he deems necessary. The Chief Fiscal Officer of the State shall, after obtaining the approval of the Legislative Council, approve the requested transfer if in his opinion it is in the best interest of the state.

The General Assembly has determined that the agency in this act could be operated more efficiently if some flexibility is given to that

#### **EXECUTIVE RECOMMENDATION**

AGENCY: 0710 DHS – Medical Services ACT#: 1586 SECTION#: 11

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

agency and that flexibility is being accomplished by providing authority to transfer between certain items of appropriation made by this act. Since the General Assembly has granted the agency broad powers under the transfer of appropriations, it is both necessary and appropriate that the General Assembly maintain oversight of the utilization of the transfers by requiring prior approval of the Legislative Council in the utilization of the transfer authority. Therefore, the requirement of approval by the Legislative Council is not a severable part of this section. If the requirement of approval by the Legislative Council is ruled unconstitutional by a court jurisdiction, this entire section is void.

# **EXECUTIVE RECOMMENDATION**

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 1586 **SECTION#:** 12

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Purchasing Law, the General Accounting and Budgetary Procedures Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

The provisions of this section shall be in effect only from July 1, 2003 through June 30, 2005.

# **EXECUTIVE RECOMMENDATION**

CONTINUE CURRENT LANGUAGE WITH APPROPRIATE DATE CHANGES

**AGENCY:** 0710 DHS – Medical Services **ACT#:** 1586 **SECTION#:** 13

#### **CURRENT SPECIAL LANGUAGE (WITH AGENCY REQUEST)**

# LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act the Tobacco Settlement Medicaid Expansion Program shall be in compliance with the stated reasons for which this act the Tobacco Settlement Medicaid Expansion Program was adopted, as evidenced by Initiated Act 1 of 2000, the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

# **EXECUTIVE RECOMMENDATION**